

REWARD YOURSELF and Key Employees



In a way that won't show up here

Under the Health Insurance Portability and Accountability Act of 1996:



Corporate paid Long-Term Care Insurance is tax-deductible for the employer and is not counted as imputed income to the employee.



Premiums for Qualified Long-Term Care Insurance Policies are treated as tax-deductible medical expense up to specified limits.



The self-employed Long-Term Care Health Insurance deduction has been increased and is now 100% tax-deductible.

As an employer, you should know that there are no regulations currently mandating equality of benefits in regards to Long-Term Health Care Insurance. This means that you can, at tax-deductible company expense, Provide yourself and other key employees this valuable estate-preserving Benefit without having to offer it to all the other employees, and

IT WON'T SHOW UP ON YOUR 1040!

A Prudential Study found that employees wanted

“Employer Sponsored Access to Long Term Care Insurance
When selecting employee benefits (if available), American workers now rank the importance of long term care insurance equal to that of group life insurance, according to Prudential Financial Inc.'s. "The rapidly increasing importance of long term care insurance to American workers and their interest in having this coverage available have interesting implications for many employers," said Ed Baird, president of Prudential Group Insurance business. The 2003 LTC Insurance Employee Benefit Study signals an opportunity for employers to enhance employee financial safety and confidence by adding long term care insurance to the palette of employee benefits.

Notable survey findings include:

Long Term Care Insurance is becoming a primary employee benefit

Long term care insurance is now as important to workers as life and disability insurance. At first glance, it may seem surprising that a relatively new product like long term care insurance is now as important as the much more established and venerable group life product. However, this finding may not be unexpected given that the need is now so well recognized; virtually all Americans have been touched by a family member or friend making the often difficult financial decisions and sacrifices needed when long term care assistance becomes necessary.

Access to Long Term Care Insurance through the employer is preferred

Sixty-two percent of workers said they would consider long term care insurance as a voluntary benefit if their employers offered it. An overwhelming 82 percent would consider buying coverage if their employer subsidized a portion of the cost. The importance of employer contribution to at least some of the expense is demonstrated by employees who would "definitely" buy LTC insurance doubling from 14 percent when the coverage is not employer subsidized to 30 percent purchase intent with employer financial assistance.

Employees need better information and education to determine if LTC insurance is right for them

Today, 56 percent of consumers are not familiar with the benefits and features of long term care insurance. In fact, only 14 percent feel very familiar. As yet, too few (only 30 percent) have talked with a long-term care professional to better understand whether this product is right for them. The lack of knowledge is compounded by misperceptions. In the Prudential Financial survey, two-thirds (62 percent) of middle class and affluent Americans believe or are unsure whether government programs would cover the cost of a nursing home care or a home healthcare aide, if they were no longer capable of caring for themselves.

Workers are beginning to connect the benefits of Long Term Care Insurance to protecting their retirement assets

The annual bill for nursing home care averages \$56,000¹ or higher in urban metropolitan areas, and that could wipe out a lifetime of retirement savings in a matter of a year or two for many workers. Long-term care insurance complements American workers' efforts to save for their retirement by protecting their retirement assets for themselves and other family members. "Believing the government will pay for your long term care needs is a mistake," said Malcolm Cheung, vice president, Group Long Term Care at Prudential. "People don't realize that Medicare does not necessarily pay for custodial care. And, in order for Medicaid to pay for such care, a person must 'spend down' his assets and impoverish himself, and this is not effective financial planning," Cheung continued. "It is encouraging that workers are beginning to make the connection between growing their retirement savings and protecting these assets from the financial drain of long term care expenses."

The Prudential Financial 2003 LTC Insurance Employee Benefit Study clearly identifies the urgent need to educate the workforce about the importance of having long term care coverage. "People need to know about the limitations of government programs for long term care and why a long term care insurance policy makes financial sense," said Ed Baird, president of the Prudential Group Insurance business. "The financial industry and employers have a real opportunity to educate a maturing population about the benefits of long term care insurance."

Prudential Financial polled 300 individuals who are 25 - 65 years of age; employed full-time or part-time by companies with 500 or more employees; and reporting an annual household income of \$40,000 or more. The survey was conducted in March 2003 to determine employee familiarity with and interest in having long term care insurance. The Prudential Insurance Company of America, a Prudential Financial company, underwrites and distributes a full range of group life, disability, long term care and related insurance products through employers and other groups in connection with employee and member benefit plans. Prudential resources, financial strength and stability allow it to honor long-term commitments to employers and employees alike.

Prudential is one of many insurance companies that offer excellent products for the employer and the employees. The product (s) chosen will be dictated by the demographics of your company, your needs and product availability. Thank you for considering us as your liaison to help accomplish your goals ...

Senior Insurance Services

Richard L. Brown

We educate individuals and employer groups about the benefits of long term care insurance and aid in the decision making process to plan for long term care. For a free educational workshop, contact us.

Phone:(508) 877-7134

Fax: (508) 877-7464

email: seniormedpro@rcn.com,

web site: <http://www.seniorfinancialservices.net>

19 Cider Mill Road, Framingham, MA 01701